



BMMP

Arming the Warfighter Through Business Improvement
BUSINESS MANAGEMENT MODERNIZATION PROGRAM

Standard Financial Information Structure (SFIS)

June 2005



- SFIS is the DoD's common business language that enables budgeting, performance based management, and the generation of financial statements. The goal of phase 1 of the SFIS effort is to define SFIS data elements needed to support generation of the DoD financial statements.
- BMMP public website:
 - <http://www.dod.mil/comptroller/bmmp/pages/index.html>



- Services have unique fiscal codes and processes
- Lack of integration and standardization requires conversion by each network to Treasury line of accounting for CFO, Treasury and Departmental Reporting

AIR FORCE OPERATIONS AND MAINTENANCE

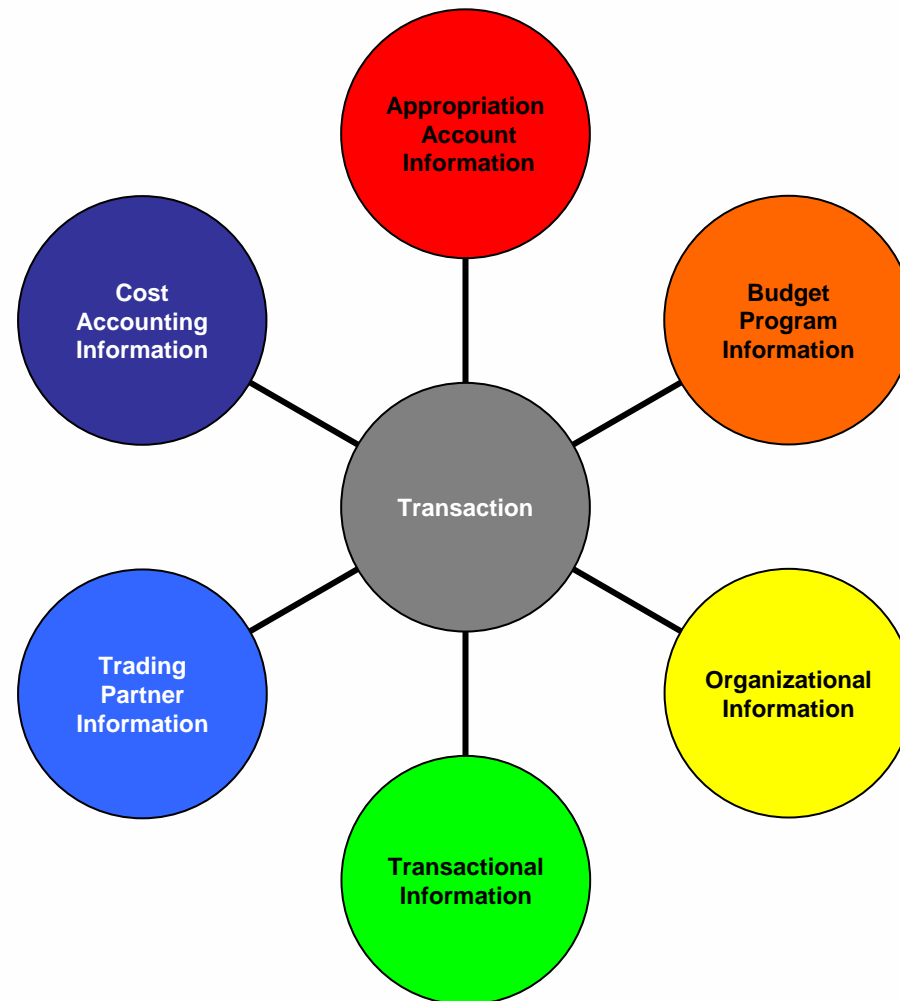
| DEPT | FY | APPR SYM | FC | FY | FC |
|------|----|----------|----|----|--------------|
| 57 | 6 | 3400 | 30 | 6 | 47 |
| | | | | | OBAN 5A |
| | | | | | PC/CC 110704 |
| | | | | | BA 04 |
| | | | | | EEIC 582.AA |
| | | | | | ADSN 503000 |
| | | | | | ESP AB |
| | | | | | PE 72806F |
| | | | | | FCC |

ARMY OPERATIONS AND MAINTENANCE

| DEPT | FY | BSN | OA | ASN | AMSCO | EOR | MDEP | FCA | SDN | APC | UIC | FSN |
|------|----|------|----|------|-----------|------|------|-------|----------------|------|--------|--------|
| 21 | 6 | 2020 | 57 | 3106 | 325796.BD | 26FB | QSUP | CA200 | GRE12340109003 | AB22 | WORNAA | S34030 |

NAVY/MARINE CORPS - GENERAL

| DEPT | FY | APPN | SUBHEAD | OC | BCN | SUBALLOT | AAA | TTC | PAA | CC |
|------|----|------|---------|-----|-------|----------|--------|-----|--------|-------------|
| 17 | 7 | 1105 | 0000 | 026 | 63400 | 3 | 063340 | 1D | 000151 | 00560852000 |



- **Appropriation Account Information** - Provides the fund structure
- **Budget Program Information** - Provides the program structure and the object class structure
- **Organizational Information** - Establishes the organizational structure
- **Transactional Information** - Satisfies the USSGL posting requirements
- **Trading Partner Information** - Provides trading partner information
- **Cost Accounting Information** - Provides other information to support cost/performance management



Authoritative Guidance

- **National Defense Authorization Act (NDAA)**
 - Requires an information infrastructure which, at a minimum, integrates budget, accounting, program information, systems and performance
- **Office of Management and Budget (OMB) Circular A-127**
 - Requires agencies' financial management systems to reflect an agency-wide financial information classification structure that is consistent with the U.S. Government Standard General Ledger (USSGL)
- **Government Performance and Results Act (GPRA)**
 - Requires annual performance reporting that links performance planned to performance achieved
- **OMB, Office of Federal Financial Management (OFFM)**
 - Within each department or agency, the accounting classification elements and definitions must be standardized to ensure uniform and efficient accounting treatment, classification, and reporting

Approximately 80% of the Phase I SFIS data elements are mandated by existing external requirements (Treasury and OMB). These are not new requirements.



- SFIS workshops with Mission Areas, Components, and Agencies – 2Q04
- Cost accounting workshops with Mission Areas, Components, and Agencies – 2Q04
- SFIS briefings to Treasury, OMB, DoDIG, Mission Areas, BMSI, and USD(C) – 3Q04
- SFIS integrated into BEA 2.2 (FM data model), and Terminology Service Implemented - 4Q04
- SFIS synchronization with USSGL Transaction Library – 1Q05
- USD(C) Memo signed that requires Cross-Mission Area support to standardize the data element values owned or shared with other Mission Areas by April 30 - 1Q05
- SFIS cross-functional workshops - 2Q05-Ongoing
- Phase I element definition (59 elements) – 3Q05
- Coordination with DIMHRS, DEAMS, GFEBS, and Navy ERP - 2Q05-Ongoing



1. Complete the definition process for the 59 identified data elements as part of SFIS Phase I.
2. Prepare strategy for initial deployment of SFIS that is specific to the core target environments.
3. Identify the process by which Phase I data elements will be further refined going forward, as well as how future elements will be introduced into the SFIS library.



- Roughly 80% of SFIS data elements are mandated by existing external requirements (Treasury and OMB). These are not new requirements.
- We have recently completed cross-functional workshops to finalize Phase 1 of SFIS.



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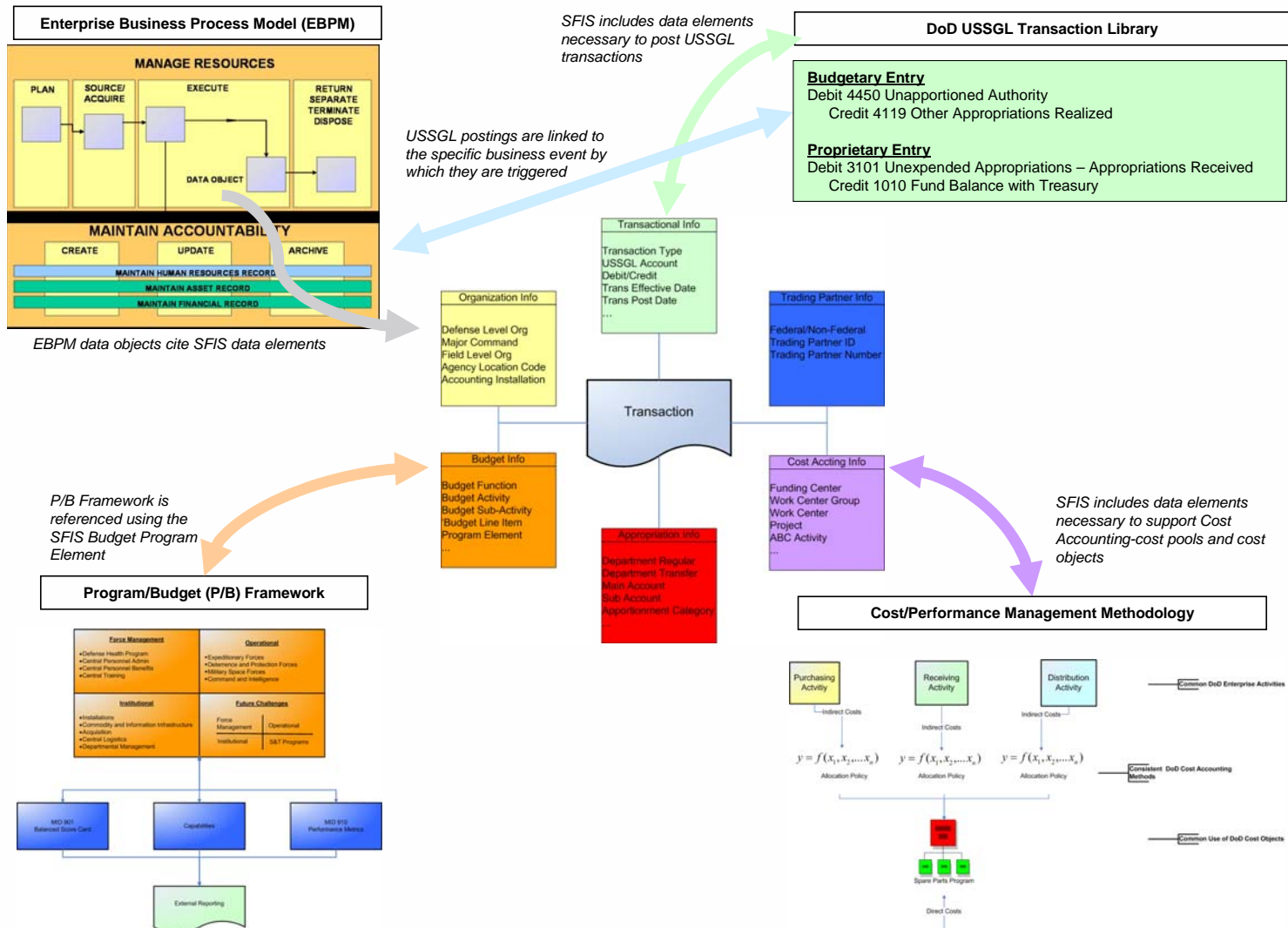
SFIS Information Components - Phase 1

| Appropriation Account Information | Transactional Information | Trading Partner Information |
|-----------------------------------|-----------------------------------|-------------------------------|
| Department Regular | Transaction Type | Federal/Non-Federal Indicator |
| Department Transfer | USSGL Account Number | Trading Partner Indicator |
| Main Account | Debit/Credit | Trading Partner Number |
| Sub Account | Begin/End Indicator | |
| Apportionment Category | Transaction Effective Date | Budget Program Information |
| Receipt Indicator | Transaction Post Date | Budget Function/Sub-Function |
| Sub Classification | Transaction Amount | Budget Activity |
| Period of Availability | Allocation Unique Identifier | Budget Sub-Activity |
| Reimbursable Flag | Exchange/Non-Exchange Indicator | Budget Line Item |
| Fund Type | Custodial/Non-Custodial Indicator | Major Acquisition |
| Advance Flag | Foreign Currency Code | Object Class |
| Authority Type | Country Code | Contingency Code |
| Availability Time | Entity/Non-Entity Indicator | BEA Category Indicator |
| Borrowing Source | Covered/Non-Covered Indicator | |
| Definite Indefinite Flag | Current/Non-Current | Cost Accounting Information |
| Public Law Number | Demand Unique Identifier | Transaction Quantity |
| Product Report Code | | Asset Type |
| TAFS Status | Organizational Information | Asset Unique ID |
| Year of Budget Authority | Organization Unique Identifier | |
| Direct Transfer Agency | Agency Disbursing Identifier | |
| Direct Transfer Account | Agency Accounting Identifier | |
| Transfer To From | | |
| Deficiency Flag | | |
| Availability Type | | |
| Expiration Flag | | |
| Financing Account Indicator | | |



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FMTT Transformation Framework Initiatives



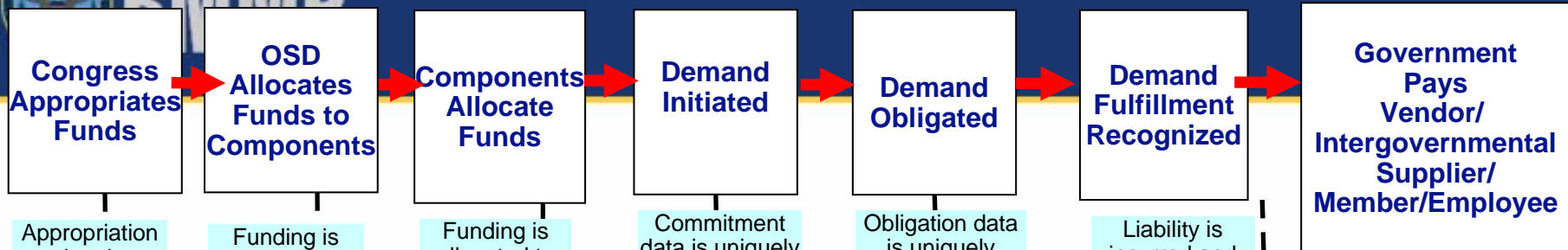


- AT&L as Primary Owner/Steward for SFIS Elements
 - Commitment Identification Number (Demand UID to track execution to budget)
 - Document Reference Number (Allocation UID and transferring primary ownership to FM)
 - Commodity Code (Used for performance management / spend analysis; (Deferred to phase 2)
 - Country Code (ISO 3166 standards with business rules)
 - Asset Type (Map to USSGL and broken out into lower levels)
 - Asset Unique ID (Item UID OR real property UID)
 - Trading Partner Number (TPN) – Business rule: TPN from the Business Partner Network (BPN) will be used in conjunction with department regular, main account and sub account for eliminations



Unique Identification and SFIS Concept

Unique Identifiers



Appropriation data is allocated by Congress to the Department of Defense via the Appropriations Act

Funding is allocated to defense level organizations

Funding is allocated to major command and field level organizations

Commitment data is uniquely identified and recorded in the DUID registry and suffixed for each line item and/or funding source (e.g. payroll estimate)

Obligation data is uniquely identified at the sub-line item level and DUID is suffixed at sub-line item level (e.g. contract data recorded; payroll calculation)

Liability is incurred and uniquely identified (e.g. invoice and acceptance data is uniquely identified; certified pay file)

Disbursement data is recorded in disbursing system by obligation sub-line item

AUID

OID

AUID

OID

MA

DUID

DUID

K#/CLIN

EDIPI

RPUID

INV

ASN

IUID

MA

EFT

Appropriation Data Elements
Department Regular
Department Transfer
Main Account
Period of Availability

Budget Data:
Budget Function
Budget Activity
Budget Sub-Activity
Budget Line Item
Contingency Code
Organization UID (OID)

Funding Authorization Data:
Organization UID (OID)

Commitment Data:
Allocation UID (AUID)
Object Class
Object Sub-class
Demand UID (DUID)
Major Acquisition (MA)
Asset Type
Transaction Type
USSGL Acct Number
DR/CR
Trans Effective date
Trans Amount
Expense Type
Covered/Uncovered Indicator
Organization UID

Obligation Data:
Contract Number / CLIN/SLIN (K#/CLIN)
Electronic Data Interchange
Personnel Identifier (EDIPI)
Asset Unique ID if real property (RPUID)
Country Code
Foreign Currency Code

Invoice/shipment Data:
Invoice Number (INV)
Advance
Shipment Notice (ASN)
Acceptance Data:
Transaction
Quantity
Asset Unique ID if Item
Confirm MA
Current/Non-current

Payment Data:
Electronic
Funds Transfer Number (EFT)
Disbursement Amount

Data to be stored in AUID Registry (BEIS)

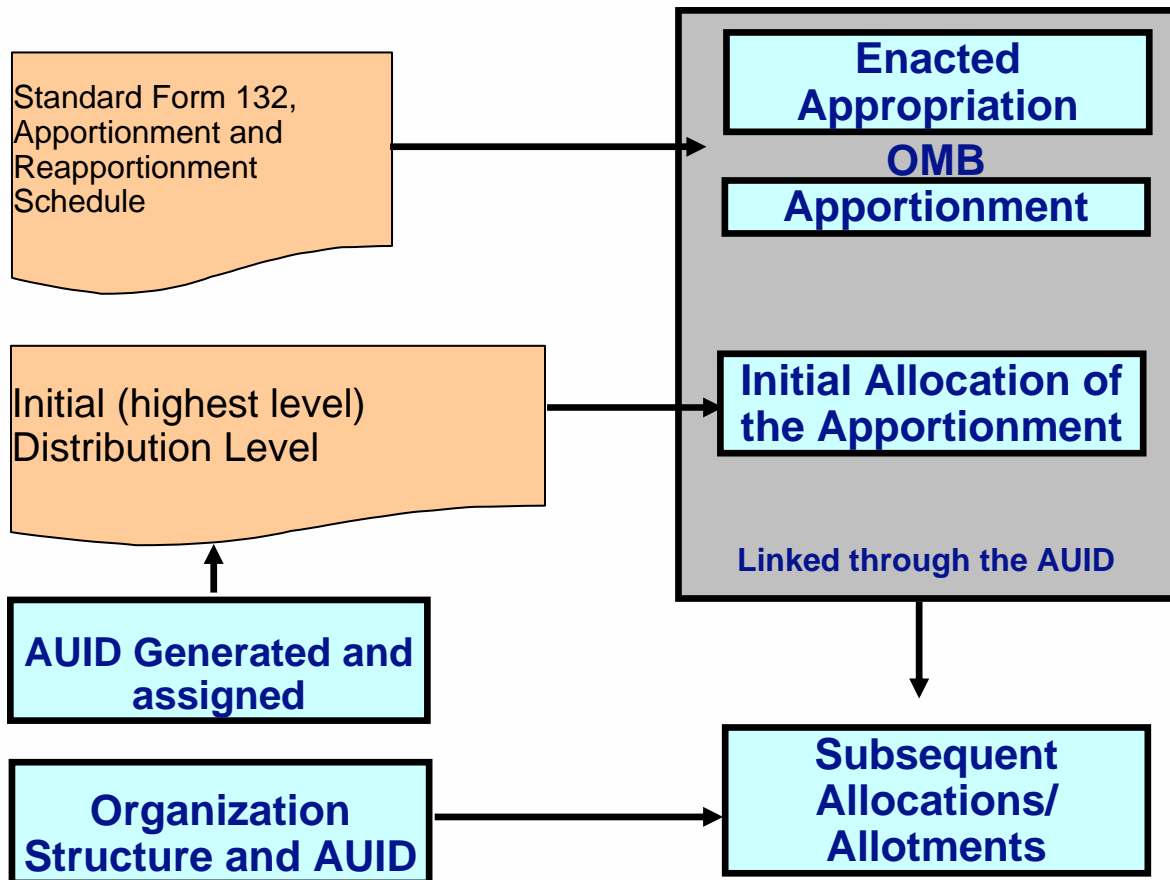
Data to be stored in DUID Registry

CAN TIE DISBURSEMENT BACK TO AUID REGISTRY USING DUID



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Department Level Transaction to Record:



Appropriation and OMB Apportionment Actions must be recorded and controlled prior to Execution of Funds

At initial Allocation, the AUID Logically Links the Appropriation, Apportionment, Allocation Transaction

Subsequent Allocations/ Allotments will be roll-up to the AUID and be uniquely identified through the Organization Unique Identifier



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Benefits of the AUID

- **Supports the Funds Control Process**
- **Supports the Funds Distribution Process**
- **Supports the Preparation of Budgetary Financial Statements**



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Demand Unique Identifier (DUID) Construct Business Rule

| | DUID Construct #1 | DUID Construct #2 |
|--|---|--|
| Based on current enterprise configurations | If multiple funding sources within the demand | If multiple funding sources within demand line items |
| DUID is derived by concatenating the data elements IN ORDER: | Demand Number Suffix for each funding source | Demand Number Suffix for each demand line item Second suffix for each funding source |

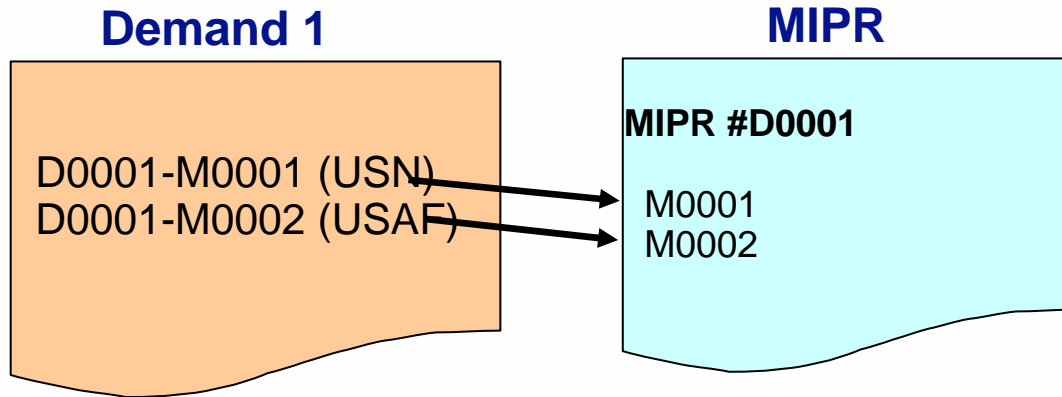
Logistics DMLSS Requisition Numbering Schema and existing suffix process will serve as acceptable equivalent

*** Syntax and data field length - TBD**

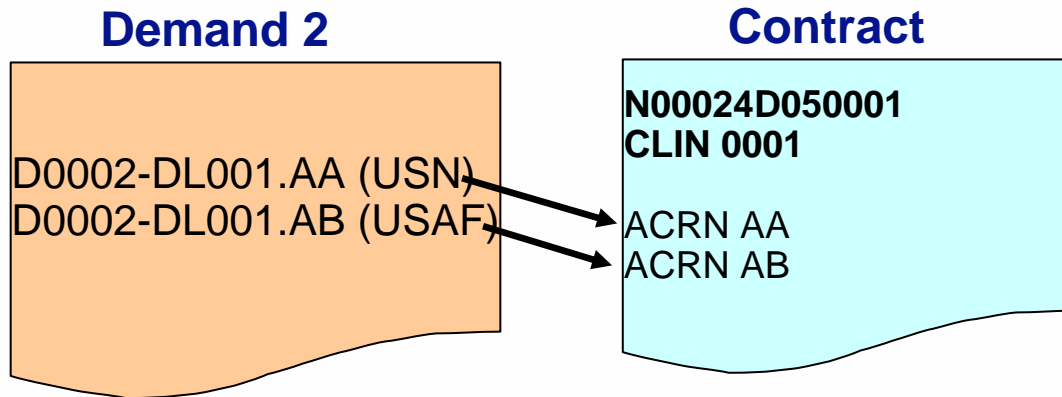


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Multiple Funding Sources for Single Purpose MIPR



- If two different funding sources for MIPR for single purpose

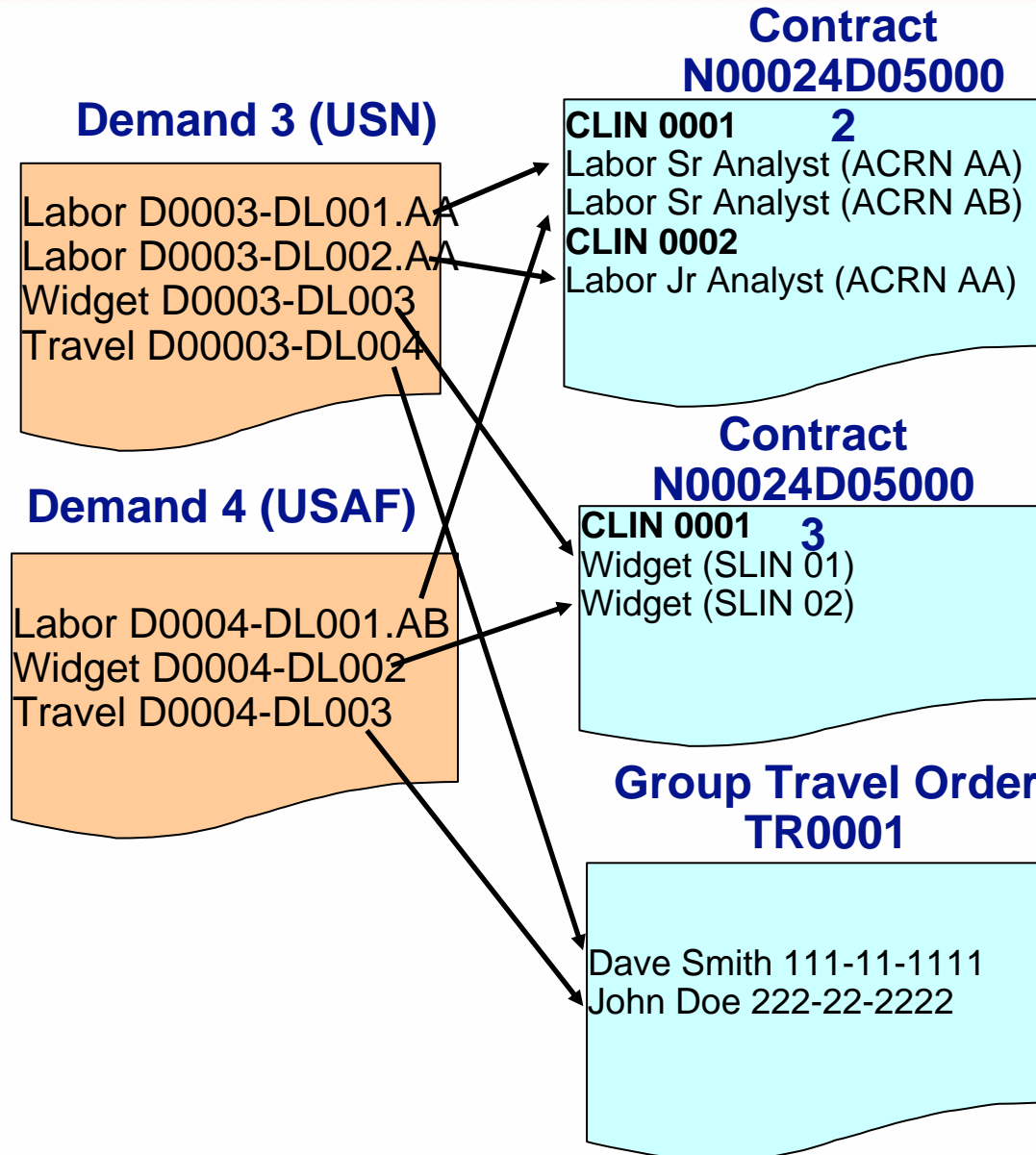


- If multiple ACRNs per CLIN are used, can track back to individual DUID
- QAR responsible to allocate funds between ACRNs upon acceptance



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Multiple Demands Fulfilled by Same Source and Single Demand Fulfilled by Multiple Sources



Non-severable CLIN - Joint Program funded by both Navy and Air Force; single Sr. Analyst working one effort; No way to determine how much time supports which component

Two different widgets support effort; each component agrees to pay for one

Both Sr. Analyst and Jr. Analyst go on group travel to support effort



- Remaining SFIS elements are standardized based on a CONOPS for using unique identification structure (UIS) and Enterprise Solutions to link the process flow to performance management
 - Elements: Funding Center, Work Center Group, Work Center, ABC Activity, Project, Cost Element, Job Order Number, Sub-Object Class, Commodity Code
- Compliance with Government Performance Results Act (GPRA)
 - Requires annual performance reporting that links performance planned to performance achieved



| SFIS Component | Attribute Name |
|-----------------------------|-------------------|
| Budget Program Information | Sub Object Class |
| Cost Accounting Information | Funding Center |
| Cost Accounting Information | Work Center Group |
| Cost Accounting Information | Work Center |
| Cost Accounting Information | Project |
| Cost Accounting Information | ABC Activity |
| Cost Accounting Information | Cost Element |
| Cost Accounting Information | Job Order Number |
| Cost Accounting Information | Commodity Code |

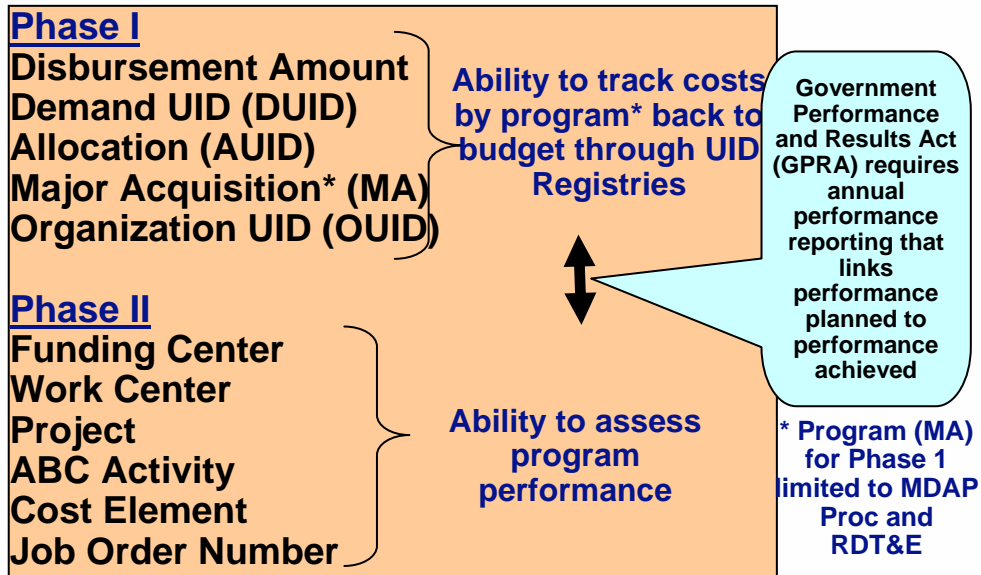
 Budget

 Cost Accounting



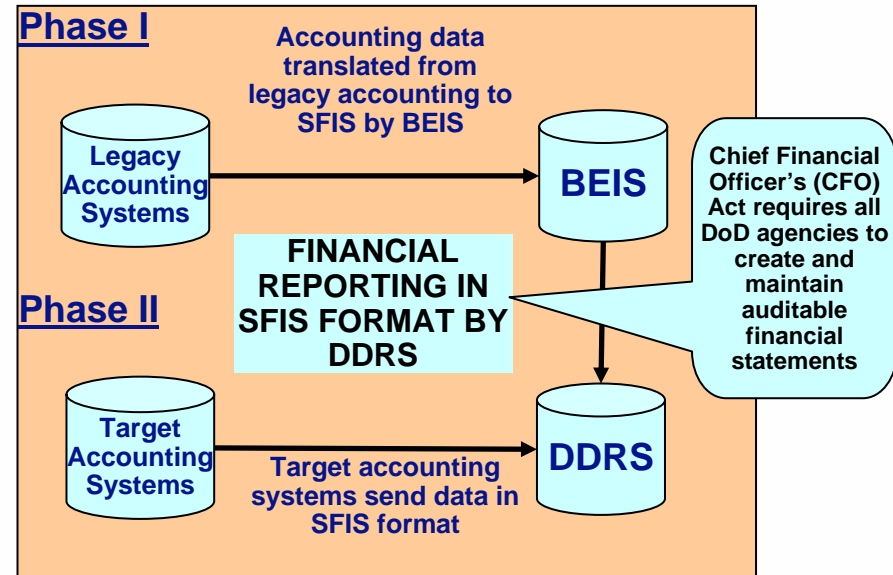
Government Performance and Results Act (GPRA)

Implementation of SFIS using DoD Business Enterprise Capabilities and critical enabling initiatives provides the DoD the capability to track costs from appropriation, budgeting, demand issuance, execution and performance management in the integrated architecture



CFO Act

Implementation of SFIS using DoD Business Enterprise Capabilities and critical enabling initiatives provides the DoD the capability to standardize financial reporting data across DoD

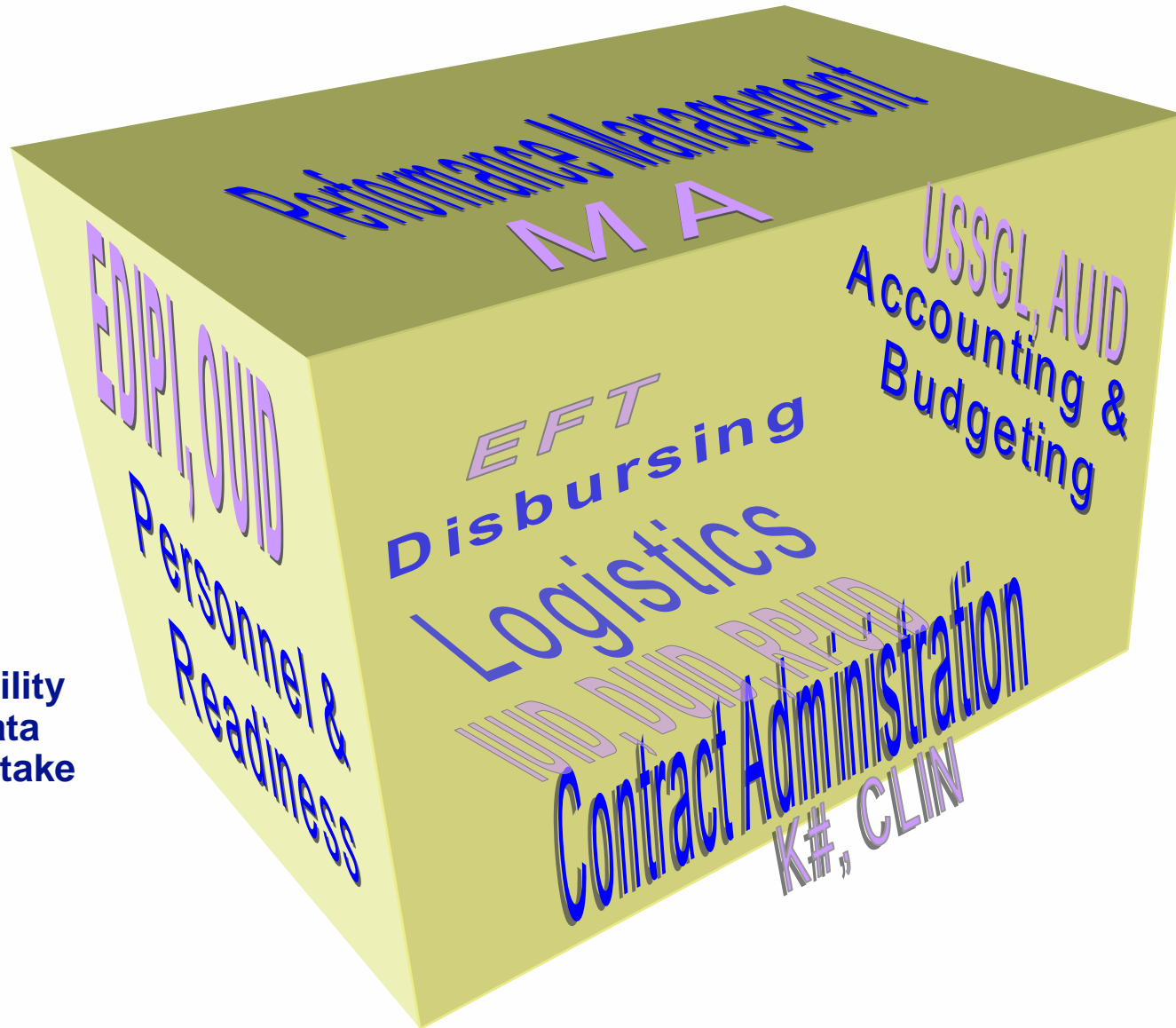




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Data View Dimensions

Unique Identifiers



Common language provides ability to review data from each stakeholder's perspective



USSGL Transaction Library

- Background
- Development of USSGL Transaction Library
- Next Steps



- The Department of the Treasury Financial Manual (TFM) provides a generalized uniform chart of accounts and account transactions, collectively referred to as the *United States Government Standard General Ledger* (USSGL).
 - All federal entities are required to follow the chart of accounts set forth in the USSGL to standardize Federal agency accounting.
- The USSGL Supplement contains the following:
 - Section I: Chart of Accounts
 - Section II: Accounts and Account Definitions
 - Section III: Account Transactions



- The Chief Financial Officers (CFO) Act of 1990
 - Requires that financial management systems provide complete, reliable, consistent, and timely information to support the generation of auditable financial statements and be responsive to the financial information needs of agency management.
- The Federal Financial Management Improvement Act (FFMIA) of 1996
 - Requires that each agency implement and maintain financial management systems that comply substantially with Federal financial management system requirements, applicable Federal accounting standards, and the USSGL at the transaction level.
- The Office of Management and Budget (OMB) Circular Number A-127, Financial Management Systems
 - Mandate improved financial management and require enhanced financial systems to support generating auditable financial statements. It specifically states that implementation of the USSGL at the transaction level means: "...the financial systems will process transactions following the definitions and defined uses of the general ledger accounts..."



- Objective: To develop an enterprise-wide (Department of Defense) standard general ledger chart of accounts and detailed set of transactions that incorporate budgetary, proprietary, and memorandum accounts that link to specific business events.
- Benefits:
 - Standardized account transaction postings across the Department of Defense (DoD).
 - Detailed transaction postings specific to DoD, which link to specific business events.
 - Along with SFIS, provide a standard for updating DoD existing and deploying new business systems.
 - Budgetary and Proprietary accounts provide a means of funds control.



- What we have done:
 - Decomposed 469 Uniform Transaction Codes (UTC) to approximately 5500 detailed DoD Transaction Codes (DTC) - 3Q04 and 4Q04
 - Assigned Initial Delineating Data Elements to each DTC - 3Q04 and 4Q04
 - Developed Business Rules for USSGL Transaction Library - 2Q05 and 3Q05
 - Linked 6 FM Transition Team Case Studies to the Library - 4Q04 thru 1Q05
 - Reviewed and revised Library to approximately 3000 DTCs - 2Q05



- Generalized transaction postings, containing multiple debits and credits, defined within the USSGL were decomposed into appropriate pairings of debits and credits of budgetary, proprietary, and memorandum accounts.
- Grouped by transaction codes assigned by the Treasury, USSGL Transaction Code (UTC). For example:
 - A100 - A300 Funding
 - B100 - B400 Disbursements
- Each decomposed transaction is assigned a DoD Transaction Code (DTC). For example:
 - A102-001, A102-002
 - B302-001, B302-002

Example of Decomposition

The USSGL provides the following generalized transaction:

UTC D850

To record inventory or operating materials and supplies acquired through exchange of non-monetary assets.

Budgetary Entry

None

Proprietary Entry

Debit 1511 Operating Materials and Supplies Held for Use (new fair market value)
Debit 1512 Operating Materials and Supplies Held in Reserve for Future Use
Debit 1513 Operating Materials and Supplies - Excess, Obsolete, and Unserviceable
Debit 1521 Inventory Purchased for Resale
Debit 1522 Inventory Held in Reserve for Future Use
Debit 1523 Inventory Held for Repair
Debit 1524 Inventory - Excess, Obsolete, and Unserviceable
Debit 1525 Inventory - Raw Materials
Debit 1526 Inventory - Work-in-Process
Debit 1527 Inventory - Finished Goods
Debit 7210 Losses on Disposition of Assets - Other
Credit 1511 Operating Materials and Supplies Held for Use (old book value)
Credit 1521 Inventory Purchased for Resale
Credit 7110 Gains on Disposition of Assets - Other

The USSGL Transaction Library will provide the ability to identify the appropriate transaction to post for the specific asset affected:

DTC D850-001

Debit 1511 Operating Mat. & Supplies Held for Use (new fair mkt value)
Credit 1511 Operating Mat. & Supplies Held for Use (old bk value)
Credit 7110 Gains on Disposition of Assets - Other



- SFIS Key = T1
- Description: A code to indicate the grouping of like types of business and/or accounting events, i.e., transactions, with general association, but not limited by the U.S. Treasury designated groupings of transactions, as follows:
 - AXXX - Funding Activity
 - BXXX - Disbursements and Payable Activity
 - CXXX - Collections and Receivables Activity
 - DXXX - Adjustments/Accrual Activity
 - EXXX - Memoranda
 - FXXX - Year-end activity



- In order for an automated system to be able to record the appropriate general ledger effects for a given transaction, specific transaction attributes must be available to point to the correct USSGL accounts for that transaction. Compilation of the Transaction Library included the identification of these delineating data elements. To the extent applicable, SFIS data elements were used as delineating data elements as the values for the SFIS data elements were already captured with business events.
- Most DoD Transactions require multiple Delineating Data Elements to be able to point to the appropriate USSGL accounts.



- USSGL Transaction Library business rules describe required relationships among transactions.
- Example:
 - When recording the delivery of goods or services and accrue a liability, if funded by a direct appropriation also post B134-001, to record appropriation used this fiscal year.



USSGL Transaction Library Example DTC, Transaction Type, DDE, Business Rule

Transaction Code

Debits/Credits

Transaction Type/DDE/Business Rules

B302-013

To record the delivery of goods or services and accrue a liability, for buildings, improvements, and renovations.

Debit 4801 Undelivered Orders Without Advances
Credit 4901 Delivered Orders – Unpaid

Debit 1730 Buildings
Credit 2110 Accounts Payable

Debit 8802 Purchases of Capitalized Assets
Credit 8801 Offset for Purchases of Capitalized Assets

Transaction Type (T1):

Receipt of Goods/Services
w/o Advance (B301)

Delineating Data Element DUID

Delineating Data Element Asset Type (CA11)

B134-001

To record appropriations used this fiscal year.

3107 Unexpended Appropriations – Used
5700 Financing Sources from Appropriations
Used

Business Rule No. B302-000-01:
When recording the delivery of goods or services and accrue a liability (B302); if funded by a direct appropriation, also post B134-001, to record appropriations used this fiscal year.



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FM Transition Team Case Studies

- The following six case studies were developed to illustrate DoD business activities and the account transactions associated with each event.
 - Case Study #1 - Acquisition of Equipment Via Purchase Order With Advance
 - Case Study #2 - Program Fund and Financing Fund for a Direct Loan Program
 - Case Study #3 - Program Fund and Financing Fund for a Loan Guarantee Program
 - Case Study #4 - Working Capital Fund for Goods and Services
 - Case Study #5 - Acquisition of Land From a Commercial Entity and Construction of a Building and Land Improvements by a Commercial Construction Firm Over Multiple Years
 - Case Study #6- Military Payroll and Benefits
- The account transactions within each of the case studies are mapped to DTCs in the Library.

USSGL Transaction Library Example Case Study

Case Study No. 5: 3-4. Costs incurred by the agency for inspection of the work by its employees, which were properly chargeable to the appropriation, were \$1,500 for salaries and \$450 for benefits, all chargeable to the building. These costs had been paid by another appropriation, for operations, which processes and funds the agency's payroll. The construction appropriation reimbursed the operating appropriation for the costs related to construction inspections. Because only \$1,770 had been obligated, an upward adjustment to obligations was recorded.¹

| | | |
|--|-------|--------------------|
| 4650 Allotments – Expired Authority | 180 | |
| 4700 Commitments | | 180 |
| 4700 Commitments | 180 | |
| 4881 Upward Adjustment of Prior-Year Undelivered Orders Without Advances | | 180 |
| 4801 Undelivered Orders Without Advances | 1,950 | |
| 4901 Delivered Orders – Unpaid | | 1,950 |
| 4901 Delivered Orders Unpaid | 1,950 | |
| 4902 Delivered Orders Paid | | 1,950 |
| 1730 Buildings ² | 1,950 | |
| 2110 Accounts Payable | | 1,950 |
| 2110 Accounts Payable | 1,950 | |
| 1010 Fund Balance with Treasury | | 1,950 |
| 8802 Purchases of Capitalized Assets | 1,950 | |
| 8801 Offset for Purchases of Capitalized Assets | | 1,950 ³ |
| 3107 Unexpended Appropriations – Used | 1,950 | |
| 5700 Financing Sources from Appropriations Used | | 1,950 |

SGL Transaction Library

| DoD Trans Code | Budgetary Debit | Budgetary Credit | Proprietary Debit | Proprietary Credit | Proprietary Debit | Proprietary Credit | Amount |
|----------------|-----------------|------------------|-------------------|--------------------|-------------------|--------------------|--------|
| D118-002 | 4650 | 4700 | | | | | 180 |
| D116-522 | 4700 | 4881 | | | | | 180 |
| B302-013 | 4801 | 4901 | 1730 | 2110 | 8802 | 8801 | 1,950 |
| B110-001 | 4901 | 4902 | 2110 | 1010 | | | 1,950 |
| B134-001 | | | 3107 | 5700 | | | 1,950 |



- Transaction Type (T1) values completed for all DTCs.
- Continue developing Delineating Data Elements (DDEs).
- Business Rules incorporated into the USSGL Transaction Library.
- Continue revising DTCs in Library.



Applying SFIS



- **Challenges**

- In DoD's net-centric environment, we have a mixture of component ERPs and corporate systems.
 - Component ERP systems enable accountability for an organization's full scope of business (e.g., from budget formulation to financial reporting).
 - Corporate systems focus on providing a specific capability (e.g., contract writing, entitlement or financial reporting).
- Given this environment, each DoD core business system will require a tailored SFIS/USSGL implementation approach dependent upon that system's functional scope, degree of integration with other core business systems, and proposed technical solution.
- For example, implementing SFIS/USSGL in a Navy ERP system using SAP technology will differ from implementing SFIS/USSGL in a custom-developed financial reporting system.



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Applying SFIS

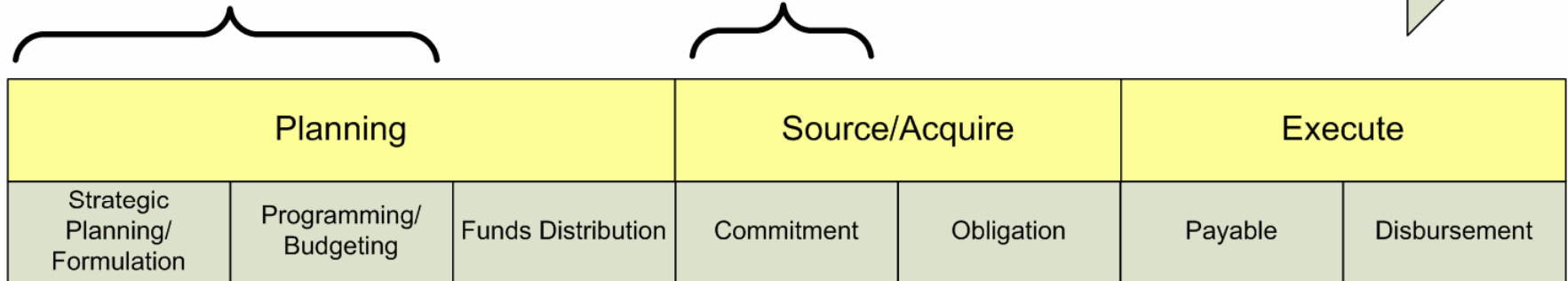
Budget/ Appropriation Information

Department Regular, Main Account, Sub Account, Apportionment Category, Receipt Indicator, Sub Classification, Period of Availability, Reimbursable Flag, Fund Type, Advance Flag, Authority Type, Availability Time, Borrowing Source, Definite Indefinite Flag, Public Law Number, Program Report Code, TAFS Status, Year of Budget Authority, Direct Transfer Agency, Direct Transfer Account, Transfer To From, Deficiency Flag, Availability Type, Expiration Flag, Financing Account Indicator, Budget Function/Sub-Function, Budget Activity, Budget Sub-Activity, Budget Line Item, Program, Contingency Code, BEA Category Indicator, Organization Unique ID

SFIS Accounting Classification

Department Regular, Department Transfer, Main Account, Period of Availability, Budget Activity, Budget Sub Activity, Budget Line Item, Object Class, Program, Contingency Code, Organization Unique ID

The Demand Unique Identifier is used to reference the Accounting Classification on obligations, payables, and disbursements.



SFIS USSGL Posting Subset

Transaction Type, Transaction Effective Date, Transaction Post Date, Transaction Amount, USSGL Account Number, Debit/Credit, Demand Unique Identifier, Exchange/Non-Exchange Indicator, Custodial/Non-Custodial Indicator, Foreign Currency Code, Country Code, Entity/Non-Entity Indicator, Covered/Uncovered Indicator, Apportionment Category, Period of Availability, Reimbursable Flag, Fund Type, Advance Flag, Authority Type, Availability Time, Borrowing Source, Definite Indefinite Flag, TAFS Status, Transfer To From, Exchange/Non-Exchange, Federal/Non-Federal, and Asset Type



General Ledger



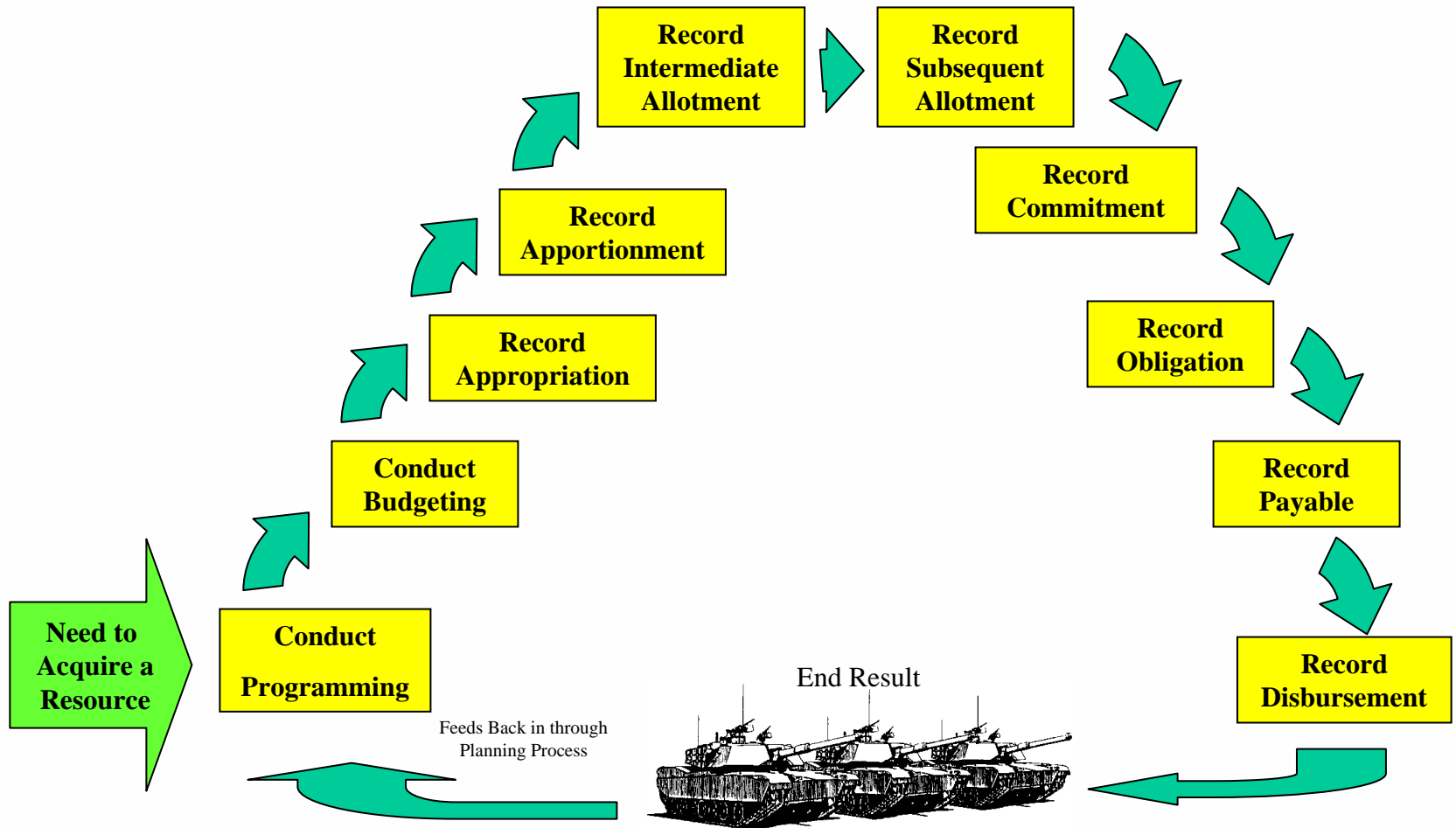
- **Implementation Approach**

- The BEA is a guide to determining the scope of requirements that applies to each core business system.
- Based on the core business system's functional scope, the BEA and other enterprise tools provide the relevant requirements for data (SFIS and USSGL) and processes (leading practices, business rules, and internal controls).
- Based on the applicability of BEA requirements to the core business system, the system's PMO should develop an SFIS implementation approach.
- The FMTT is actively working to categorize FM business systems.
- Based on the categorization, the FMTT will work with Category A, B and C system PMOs to develop a tailored implementation approach that is BEA-compliant with SFIS standards.
- The FMTT is working to update DoD EDI Implementation Conventions and the DoD XML Registry to include SFIS terms.
- The FMTT is developing processes for the evolution of SFIS, including the introduction of new data elements.



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SFIS Transaction Life Cycle Example: Acquire a Tank





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SFIS Transaction Life Cycle Example: Acquire a Tank

SYSTEM ENVIRONMENT:

This stage in the transaction life cycle will occur in a programming system environment, such as FYDP.

BENEFITS:

The creation of a *major acquisition* element that is linked to strategic goals through the Program Budget Framework, and referenced through the transaction cycle will address the *Statement of Net Cost Material Weakness* by enabling reporting of cost by strategic goal.

The *SFIS concept as a whole* will also help to address the *Financial Management Systems Material Weakness* by creating a standard agency-wide accounting classification structure as required by JFMIP. This benefit is realized throughout all transaction cycles.

PROGRAM
GUIDANCE



Conduct
Programming



DESCRIPTION: The valid Budget Programs are defined and associated to program element codes, as well as, DoD strategic goals (e.g. one of the four risk quadrants, and outcome goals as detailed in the DoD annual PAR).



SFIS elements needed at this stage:

* B5 Major Acquisition: TBD

•Mandated by external sources



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SFIS Transaction Life Cycle Example: Acquire a Tank

SYSTEM ENVIRONMENT:

This stage in the transaction life cycle will occur in a budget formulation systems, such as the Comptroller Information System.

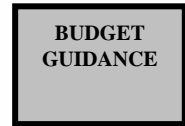
BENEFITS:

The **Organization Unique Identifier** element will provide a common organization structure for both financial and human resource management, as well as, enable a common way to identify the 'color of money' across TI97 organizations, helping to address the **FBWT material Weakness**.

The Use of the Appropriation SFIS elements will allow a link to between the detail budget elements in budget systems and the detail general ledger elements in accounting systems.

The **Reimbursable Flag** element creates a common tracking mechanism for reimbursable activity from budget through the general ledger.

Business Rules are incorporated to **streamline** actual data elements needed

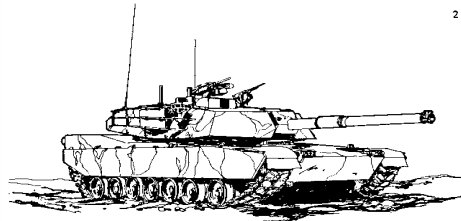


Formulate the Budget



DESCRIPTION: This activity includes the association of program requirements to appropriation requirement and the accumulation of resource requirements to create a Presidents Budget Submission.

2 - 2



SFIS elements needed at this stage:

- * B5 Major Acquisition: *TBD*
 - * A1 Department Regular: *021*
 - * O1 Organization Unique Identifier: *TBD*
 - * A3 Main Account: *2035*
 - * A8 Period of Availability: *20052007*
 - * A4 Sub Account: *NA*
 - * A7 Sub Classification: *NA*
 - * B2 Budget Activity: *01:10*
 - * B3 Budget Sub-Activity: *01:10*
 - * B4 Budget Line Item: *006406GA0700*
 - * A9 Reimbursable Flag: *D*
 - * B1 Budget Function Sub/Function (Rule Driven): *050*
 - * A6 Receipt Indicator (Rule Driven): *00*
 - * A10 Fund Type: *01*
 - * A11 Advance Flag: *NA*
 - * A12 Authority Type: *P*
 - * A13 Availability Time (Rule Driven): *A*
 - * A14 Borrowing Source: *NA*
 - * A15 Definite/Indefinite Flag: *D*
 - * A18 TAFS Status (Rule Driven): *U*
 - * A19 Year of Budget Authority: *NEW*
 - * A24 Availability Type (Rule Driven): *M*
 - * A25 Expiration Flag: *N*
 - * A26 Financing Account Indicator: *N*
 - * B9 BEA Category Indicator: *D*
- * *Mandated by external sources*



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SFIS Transaction Life Cycle Example: Acquire a Tank

SYSTEM ENVIRONMENT:

The remaining stages in the transaction life cycle will occur in a core accounting general ledger, such as BEIS.

BENEFITS:

The **Direct Transfer Agency and Account** elements enable the consistent tracking of appropriation transfers, and helps to address the **FBWT Material Weakness**.

The **Agency Accounting Identifier** element will provide a common means of identifying each accounting activity responsible for posting transactions.

A common, referable **USSGL Transaction Library** has been created to ensure standardization and general ledger integrity.

OMB SF 132
Apportionment
Request



Record Appropriation Realization



DESCRIPTION: At this stage, the enacted appropriation is recorded and apportionment is requested.



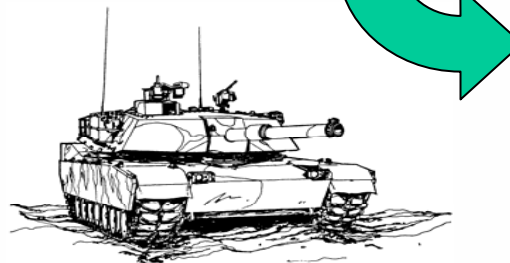
SFIS elements needed at this stage:

- * O3 Agency Accounting Identifier: *O11116*
- * A1 Department Regular: *021*
- * O1 Organization Unique Identifier: *TBD*
- * A3 Main Account: *2035*
- * A8 Period of Availability: *20052007*
- * B5 Major Acquisition: *TBD*
- * A20 Direct Transfer Agency: *NA*
- * A21 Direct Transfer Account: *NA*
- * A22 Transfer To//From: *NA*
- * A16 Public Law Number: *NA*
- * *Mandated by external sources*

USSGL TRANSACTION:

To record appropriated authority

- \$100 4119 Debit Other Appropriations Realized
- \$100 4450 Credit Unapportioned Authority
- \$100 1010 Debit Fund Balance With Treasury
- \$100 3101 Credit Unexpended Appropriations - Appropriations Received





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SFIS Transaction Life Cycle Example: Acquire a Tank

SYSTEM ENVIRONMENT:

The remaining stages in the transaction life cycle will occur in a core accounting general ledger, such as BEIS.

BENEFITS:

The **Apportionment Category** and **Program Report Category** facilitate funds control throughout the entire funds distribution cycle.

A common, referable **USSGL Transaction Library** has been created to ensure standardization and general ledger integrity.

Approved
OMB SF 132
and Treasury
Warrant



Record Apportionment



DESCRIPTION: At this stage the OMB approved apportionment amounts are recorded in the accounting general ledgers.



SFIS elements needed at this stage:

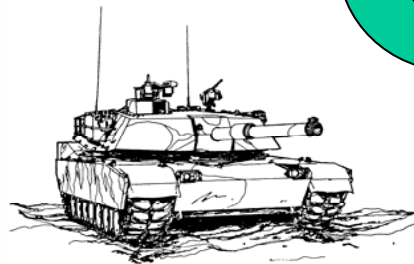
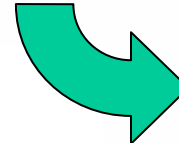
- * O3 Agency Accounting Identifier: *011116*
- * A1 Department Regular: *021*
- * O1 Organization Unique Identifier: *TBD*
- * A3 Main Account: *2035*
- * A8 Period of Availability: *20052007*
- * B5 Major Acquisition: *TBD*
- * A5 Apportionment Category: *A*
- * A17 Program Report Code: *NA*
- * *Mandated by external sources*

USSGL TRANSACTION:

To record apportioned authorities

\$80 4450 Debit Unapportioned Authority

\$80 4510 Credit Apportionments





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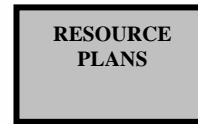
SFIS Transaction Life Cycle Example: Acquire a Tank

BENEFITS:

At this stage the AUID is established to provide the unique and consistent link to the funds being distributed and executed.

The **Contingency Code** element provides the flexibility to track emergency spending across multiple appropriations.

The **Department Transfer** element enables the tracking of appropriated funds that are 'made available' to other entities.



Record Intermediate Allotment



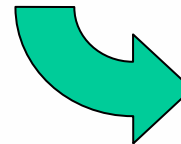
DESCRIPTION: At this stage, the Department level accounting entry to record the intermediate distribution of apportioned funds is recorded.



SFIS elements needed at this stage:

- * A2 Department Transfer: *NA*
- * T8 Allocation Unique Identifier (AUID): *TBD*
- * B8 Contingency Code: *NA*
- * O1 Organization Unique Identifier: *TBD*
- * B5 Major Acquisition: *TBD*

* *Mandated by external sources*



USSGL TRANSACTION:

To record allotment at apportioned authority to an intermediate organization

\$50 4510 Debit Apportionments

\$50 4610 Credit Allotments - Realized Resources

\$30 4610 Allotment - Realized Resources

\$30 4611 Allotments Issued



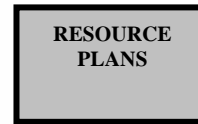


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SFIS Transaction Life Cycle Example: Acquire a Tank

BENEFITS:

At this stage in the transaction cycle, the **AUID** provides a consistent link back to one pot of money. The **Organization Unique Identifier** provides the identity of where the funds are being distributed through-out the organization. This provides the identification and status of the funds across any level of the organization.



Record Subsequent Allotment



DESCRIPTION: At this stage, Intermediate organization recorded multiple subsequent allotments of budget authority down to the execution level.



**The Same Original
AUID is cited on
each distribution**



SFIS elements needed at this stage:

- * A2 Department Transfer: *NA*
- * T8 Allocation Unique Identifier (AUID): *TBD*
- * A3 Contingency Code: *NA*
- * O1 Organization Unique Identifier: *TBD*
- * B5 Major Acquisition: *TBD*

- * *Mandated by external sources*

USSGL TRANSACTION:

To record receipt and subsequent allotment allotment of authority from Department level.

First Organization Receives Allotment and Reissues a portion to second organization:

\$30 4612 Allotments Received

\$30 4610 Allotment - Realized Resources

\$30 4610 Allotment - Realized Resources

\$30 4611 Allotments Issued

Second Organization Receives Allotment and

\$30 4612 Allotments Received

\$30 4610 Allotment - Realized Resources



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SFIS Transaction Life Cycle Example: Acquire a Tank

BENEFITS:

The creation of a Demand Unique Identifier (DUID) during this stage of the transaction cycle will enable transaction information, from this point on in the cycle, to be referenced and looked up, rather than being separately entered each time, thereby reducing data entry and data error rates.

The DUID, as well as the AUID, significantly streamlines transaction date entry. Only minimal new information is required at each successive stage of the transaction life cycle. The integrity of financial information associations are kept in tact and controlled by proper use of the DUID and AUID control.

The use of the DUID and AUID enables the maintenance of a system audit trail.

The use of a DUID that reference the lowest level of unique classification (e.g., Sub contract line level) will provide a consistent link between commitment/obligation classifications and disbursement classifications and help to address the issues surrounding unliquidated disbursements.

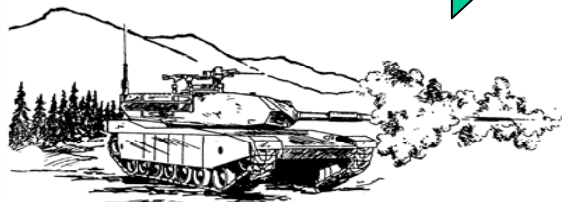
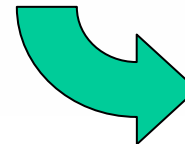
VARIOUS
SUPPORTING
DOCUMENTS



Record Commitment



DESCRIPTION: This stage of the transaction cycle records a commitment to the general ledger.



SFIS elements needed at this stage:

- * A23 Deficiency Flag: *X*
- * B6 Object Class: *3*
- * CA9 Transaction Quantity: *0000000001*
- * CA11 Asset Type: *Equipment*
- * T16 Demand Unique Identifier (DUID): *TBD*

* *Mandated by external sources*

USSGL TRANSACTION:

To record commitment at allotted funds

\$20 4610 Debit Allotments - Realized
Resources

\$20 4700 Credit Commitments - Programs
Subject to Apportionment



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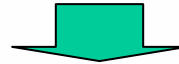
SFIS Transaction Life Cycle Example: Acquire a Tank

BENEFITS:

The benefits associated with the Commitment stage flow through to the obligation stage.

In addition, the **Trading Partner Indicator/Number** elements provide a consistent and controllable means to identify trading partners throughout the transaction life cycle, helping to address the **Intragovernmental Eliminations Material Weakness**.

VARIOUS
SUPPORTING
DOCUMENTS



Record Obligation



SFIS elements needed at this stage:

- * A23 Deficiency Flag: *X*
- * TP2 Trading Partner Indicator: *NA*
- * TP3 Trading Partner Number: *Corporate DUNS*
- * TP1 Federal/Non Federal Indicator:
- * A9 Reimbursable Flag: *D*
- * T16 Demand Unique Identifier (DUID): *TBD*

* Mandated by external sources

DESCRIPTION: This stage of the transaction cycle records a obligation to the general ledger.



USSGL TRANSACTION:

To record obligation of committed funds

\$15 4700 Debit Commitments - Programs
Subject to Apportionment

\$15 4801 Credit Undelivered Orders -
Obligations, Unpaid



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SFIS Transaction Life Cycle Example: Acquire a Tank

BENEFITS:

The benefits associated with the Commitment stage flow through to the Payable stage.

The *USSGL Transactions* and the *SFIS* elements that have been created thus far in the cycle provide a process to ensure the synchronized posting of both proprietary and budgetary transactions, enabling the elimination of reconciliation issues and addressing the *Unsupported Accounting Entries Material Weaknesses*.

GOODS
RECEIVED OR
SERVICES
RENDERED



Record Payable



DESCRIPTION: This stage of the transaction cycle records the effects of goods or services received as expended budget authority and a proprietary liability in the general ledger.



SFIS elements needed at this stage:

- * A23 Deficiency Flag: *X*
- * T13 Entity/Non-Entity Indicator: *E*
- * T10 Custodial/Non-Custodial Indicator: *A*
- * T16 Demand Unique Identifier (DUID): *TBD*
- * Mandated by external sources

USSGL TRANSACTION:

To record payable and expend authority

\$10 4801 Debit Undelivered Orders - Obligations,
Unpaid

\$10 4901 Credit Deliver Orders - Obligations,
Paid

\$10 1750 Debit Equipment

\$10 2110 Credit Accounts Payable

\$10 3101 Debit Unexpended Appropriations -
Appropriations Received

\$10 5700 Credit Expended Appropriation





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SFIS Transaction Life Cycle Example: Acquire a Tank

BENEFITS:

The benefits associated with the Commitment stage flow through to the Disbursement stage.

As mentioned previously, the link that is already established will help prevent Unmatched Disbursements.

PROGRAM
GUIDANCE



Record Disbursement



DESCRIPTION: This stage of the transaction cycle records a disbursement of previously obligated funds, to the general ledger.



SFIS elements needed at this stage:

- * A23 Deficiency Flag: *X*
- * O2 Agency Disbursing Identifier: *00005570*
- * T11 Foreign Currency Code: *NA*
- * T12 Country Code: *US*
- * T16 Demand Unique Identifier (DUID): *TBD*

* *Mandated by external sources*

USSGL TRANSACTION:

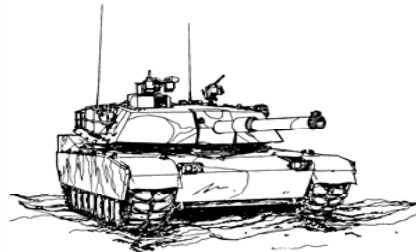
To record disbursement for a payable

\$10 4901 Debit Deliver Orders - Obligations,
Unpaid

\$10 4902 Credit Delivered Orders - Obligations,
Paid

\$10 2110 Debit Accounts Payable

\$10 1010 Credit Fund Balance with Treasury





Illustrative SFIS Supported Trial Balance Information

- *SFIS supported Trial Balance information provider:*
 - *Trial Balance information, such as example below, for any combination of SFIS elements (obligations by program, appropriation, organization, etc.)*
 - *Multiple levels of general ledgers are automatically linked through the transaction life cycle.*

| | Department Level | Intermediate Level | Execution Level | Consolidated |
|---|------------------|--------------------|-----------------|--------------|
| Realized Appropriations (4119) | 100 | | | 100 |
| FBWT (1010) | 100 | | (10) | 90 |
| Unapportioned Authority (4450) | (20) | | | (20) |
| Unexpended Authority (3101) | (100) | | 10 | (90) |
| Expended Appropriations (5700) | | | (10) | (10) |
| Unallotted Apportioned Authority (4510) | (30) | | | (30) |
| Unobligated Allotments (4610) | | (20) | (10) | (30) |
| Allotments Issued (4611) | (50) | (30) | | (80) |
| Allotments Received (4612) | | 50 | 30 | 80 |
| Commitments Outstanding (4700) | | | (5) | (5) |
| Obligations Outstanding (4801) | | | (5) | (5) |
| Equipment Received (1750) | | | 10 | 10 |
| Delivered Orders Paid (4902) | | | (10) | (10) |



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Arming the Warfighter Through Business Improvement
BUSINESS MANAGEMENT MODERNIZATION PROGRAM

Questions & Answers